

*Feb*  
AR03

UNITED ACCUMULATIVE FUND LTD.



10<sup>th</sup>  
*Annual Report*

FOR THE YEAR ENDED SEPTEMBER 30, 1967

10 YEARS OF SERVING CANADIAN INVESTORS



## UNITED ACCUMULATIVE FUND LTD.

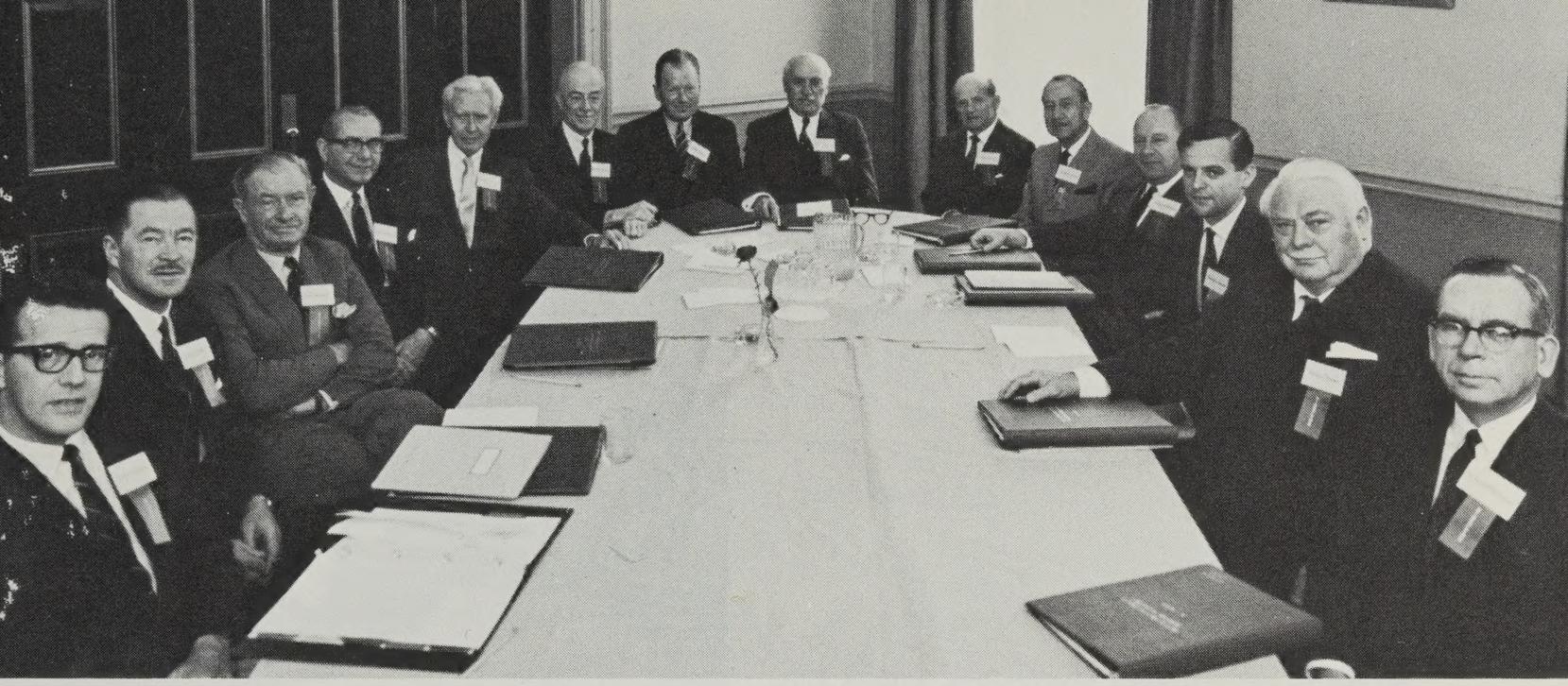
In the ten years since its founding in 1957, **United Accumulative Fund Ltd.** has become one of Canada's largest and fastest growing mutual funds. Today United has over 130,000 shareholders — more than any other Canadian mutual fund and second largest in number of any Canadian corporation — and net assets in excess of \$350,000,000.

United's primary objective is to help as many people as possible achieve financial independence through the long-term growth of capital. To accomplish this, the Fund invests in a broad cross-section of especially attractive securities which are carefully selected for their superior growth potential in the thriving North American economy. These securities are also widely diversified as to type of product and service as well as geographic location.

The Portfolio of the Fund is under the full-time supervision of **United Funds Management Ltd.**, a professional investment management organization with a proven record of success in managing investments totalling several hundred million dollars.

Shares of the Fund are distributed exclusively by **United Investment Services Ltd.**, with offices in most principal cities throughout Canada, and by **United Investment Services (Quebec) Ltd.** in the Province of Quebec.

If you receive an extra copy of this Report, would you please pass it on to someone you know who might be interested in your Fund. The cost of completely preventing duplicate mailings to those with two or more accounts would far exceed the cost of printing and mailing extra copies.



Fourteen of fifteen U.A.F. Directors were present at a Board meeting held in Vancouver last May. They are (left to right): Gordon E. Eddolls, Toronto, President, United Investment Services Ltd.; George H. Sellers, Winnipeg; Donald McInnis, Q.C., Halifax; Henry R. Jackman, Q.C., Toronto; Chauncey L. Waddell, New York; Maurice Désy, Q.C., Montreal; John M. Godfrey, Q.C., Toronto, President, United Accumulative Fund Ltd.; Alex McD. McBain, Toronto, Chairman, United Accumulative Fund Ltd.; Walter C. Koerner, Vancouver; J. M. Richard Corbet, Toronto; Jacques de Billy, Q.C., Quebec; Rodney S. C. Donald, Toronto, President, United Funds Management Ltd.; Horace J. Fraser, Toronto; and Graham M. MacLachlan, Toronto. Only Director unable to attend was Joe Jack Merriman, Kansas City.

### To The Shareholders:

The year of Canada's Centennial also marks the tenth anniversary of the founding of United Accumulative Fund Ltd., and it is a pleasure to report that your Fund's growth and investment performance have been strongly maintained: total net assets rose during the fiscal year by 50.4% to \$360,577,885, the number of shareholders increased by 16.1% to 138,502, and net asset value per share advanced by 37.0% to \$11.20.

In the ten years since your Fund began operations, the net asset value per share has risen from \$3.83 to \$11.20, and \$1.23 per share has been paid in dividends. An investor who has held his shares and reinvested all dividends since your Fund began operation now has a total gain, after deducting all expenses other than personal income tax, of 223.3% on his original investment, as is illustrated further on in this Report.

The completion of a decade of operations offers a good opportunity to review the services which United Accumulative Fund Ltd. is intended to provide to its shareholders and the means by which your management seeks to make these services available. Your Fund was established in the belief that Canadians would

On February 21 of this year, Alex. McD. McBain (left), who had served as President of United Accumulative Fund Ltd. since its inception, was named Chairman of the Board. Succeeding him as President is John M. Godfrey, Q.C., a prominent Toronto lawyer who had previously served as Vice-President and Director during the ten years that the Fund has been in operation.



find a well-selected, broadly diversified and professionally managed portfolio of common stocks an attractive and profitable long-term investment and an effective means of protection against the damage which inflation inflicts on the real value of savings held in fixed-dollar forms. How far this belief has been justified in practice during the first decade of its existence is illustrated by the chart which follows, entitled "Fund Performance and Living Costs." While inflation has over this ten year period wiped out 18.1% of the purchasing power of the dollar, the net asset value of each share of your Fund still has risen by 157.6%, even after allowing for the effect of inflation.

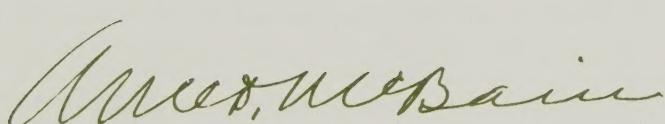
The same chart also illustrates the results to date of your management's continuing efforts to select the securities judged most likely to perform well. The 192.4% increase in the value of a Fund share since 1957 compares with an increase of 91.9% for the Toronto Stock Exchange Industrial Index and 127.6% for the Standard and Poor Index of 425 stocks over the same period.

The day-to-day work of managing your Fund's portfolio is the responsibility of the team of analysts and consultants of United Funds Management Ltd. It involves a continuing program of statistical analysis, collection of information, and direct contact with the managements of companies that are of particular investment interest. The members of your Board of Directors, who possess extensive knowledge of business conditions in Canada and abroad, are kept continuously

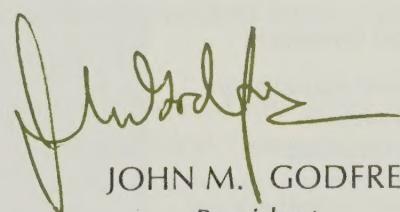
informed of all Fund transactions, and review policy and investments at Board meetings. We believe that this method of operation has proven itself flexible and effective in a field of action where speed and decisiveness are essential.

Your Fund began its operations in October 1957 in an atmosphere of investor concern over the sharp stock market and business declines of that year. Today, when concern is frequently expressed over such current problems as Vietnam, inflation, and profit margins, it is well to remember that the decision taken in 1957 to invest in common stocks has been justified in spite of all the recessions and international crises of the past ten years. The economies of Canada and the United States are today considerably stronger than they were ten years ago, and they offer a much greater variety of investment opportunities. In view of these and other indicators that augur well for the North American economy in the years ahead, your Fund's management is confident that emphasis on common stocks will continue to be justified in the next ten years also.

Respectfully submitted,



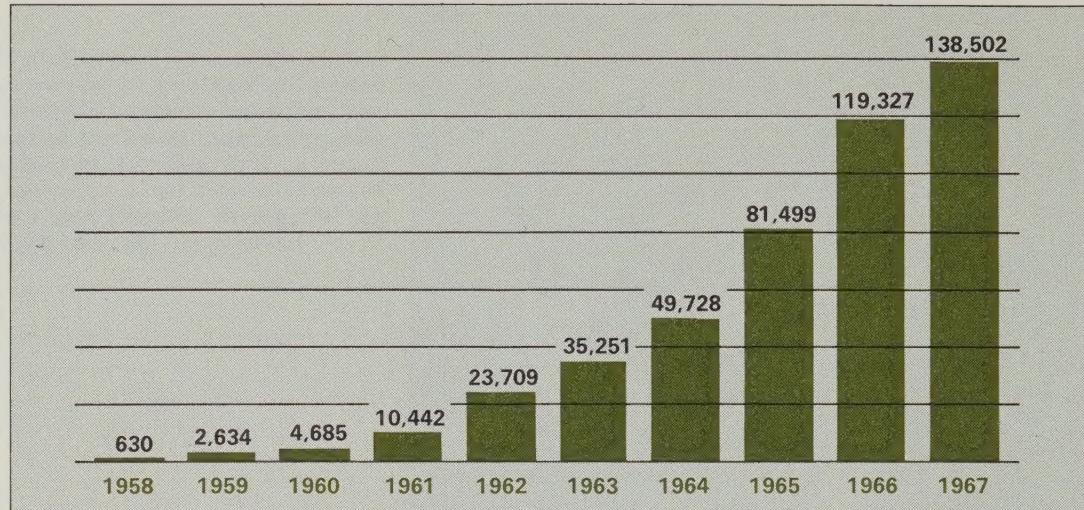
ALEX. McD. MCBAIN  
*Chairman of the Board*



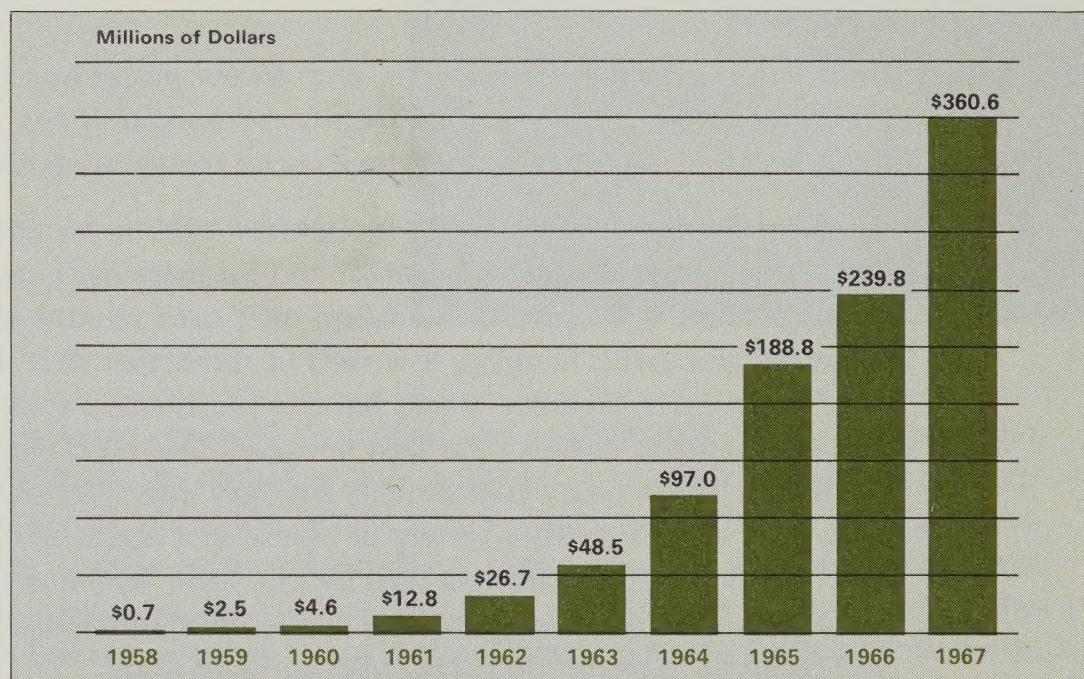
JOHN M. GODFREY  
*President*

Toronto, Ontario  
September 30, 1967

**SHAREHOLDERS**  
SEPTEMBER 30TH



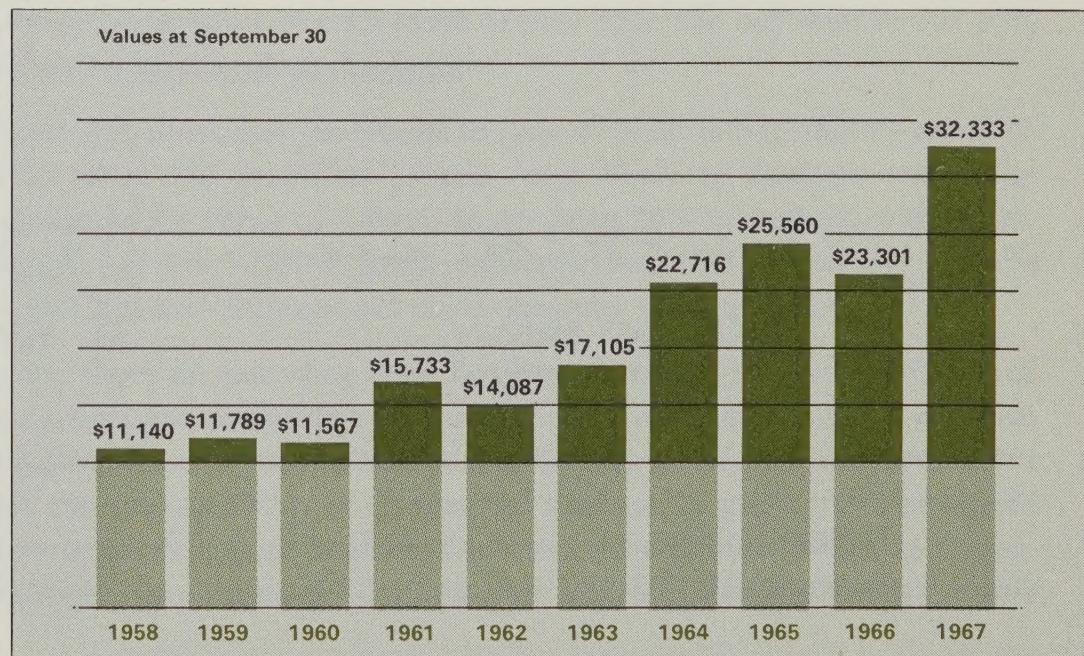
**TOTAL  
NET ASSETS**  
SEPTEMBER 30TH

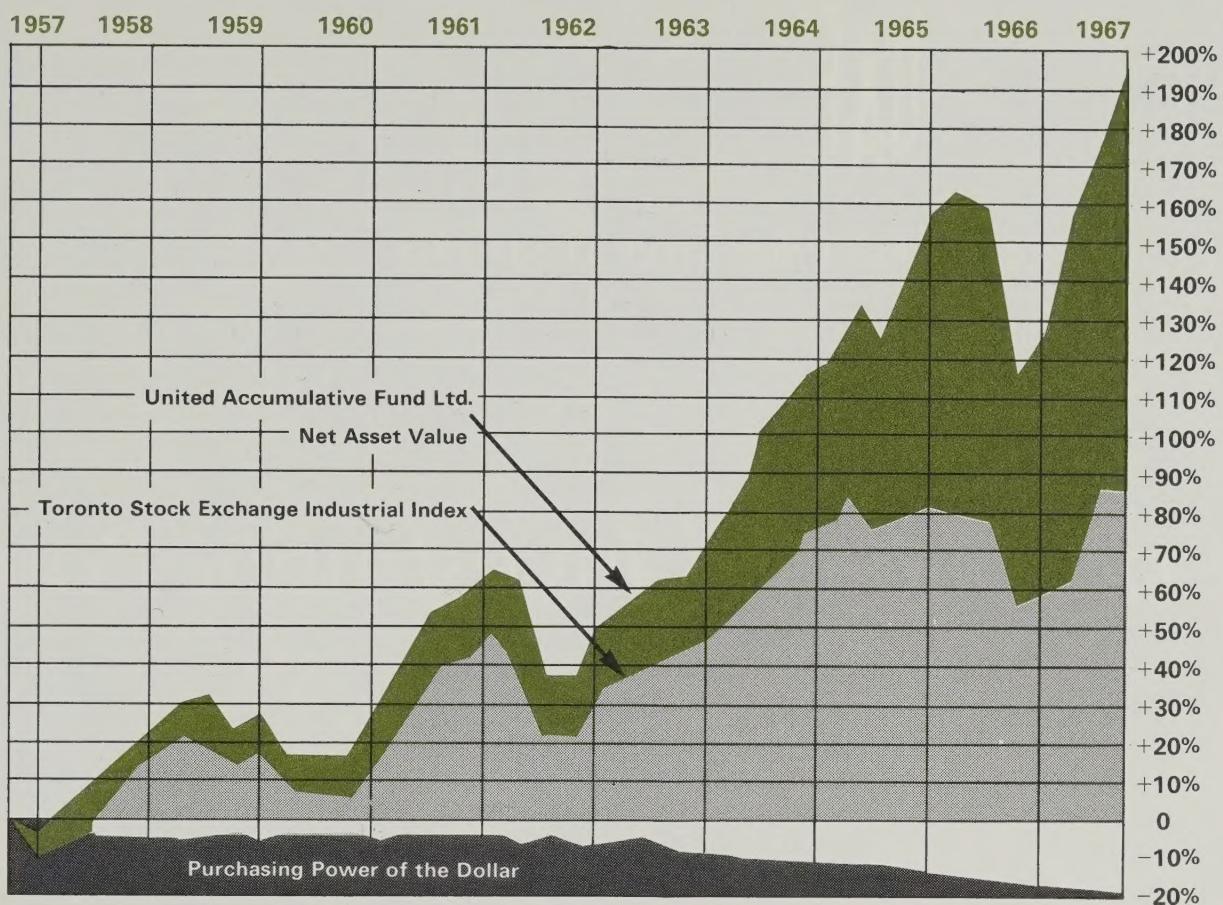


**INVESTMENT  
PERFORMANCE**  
1957-1967

- Initial Investment
- Capital Appreciation and Income Compounded

This chart shows the record of a \$10,000 investment in United Accumulative Fund Ltd. from its inception to September 30, 1967, a period of 10 years, with reinvestment of dividends, after allowing for initial sales charge and for management fees.





## Fund Performance and Living Costs

This chart shows the results that professional investment management has achieved for United shareholders during the first ten years that your Fund has been in operation.

The top line represents the course of the net asset value per share of United Accumulative Fund Ltd. from its inception on October 1st, 1957, to September 30, 1967. During this ten year period your Fund's net asset value increased by 192.2%

The middle line shows the course of a representative sampling of Canadian common stock prices over the same period, as measured by the Toronto Stock Exchange Industrial Index. The difference between the gain in your Fund's net asset value and the 91.9% gain in the Index indicates how much Fund shareholders have benefitted from professional supervision of their holdings during these ten years.

The bottom line shows what has happened to the purchasing power of the dollar over the same period, as measured by the Dominion Bureau of Statistics' Consumer Price Index. This indicates that in the past ten years the dollar's purchasing power has declined by 18.1%; or expressed in another way that the cost of living has risen by 22.1%.

What these comparisons clearly show is that while rising common stock values have more than kept up with the increased cost of living, United Accumulative Fund Ltd. has outperformed the upward market trend by a considerable margin. Even when adjusted for the decline in the purchasing power of the dollar, the net asset value of United Accumulative Fund shares still shows a gain of 157.6%. In other words, your Fund has much more than protected its shareholders from the erosion of the dollar's value over the past ten years.



UNITED ACCUMULATIVE FUND LTD.

# *Consolidated Investment Portfolio*

SEPTEMBER 30, 1967

COMMON STOCKS:

	Number of Shares	Market Value	Percent of Net Assets
<b>Aerospace: 6.19%</b>			
Beech Aircraft .....	25,000	\$ 1,258,301	.35%
Boeing .....	92,300	8,597,543	2.38
General Dynamics .....	50,000	3,335,336	.93
McDonnell-Douglas .....	100,000	4,885,563	1.36
Piper Aircraft .....	25,000	1,489,828	.41
United Aircraft .....	30,000	2,730,009	.76
United Aircraft-rights (a) .....	30,000	8,053	—
		<u>22,304,633</u>	<u>6.19</u>
<b>Air Transportation: 4.58%</b>			
Deutsche Lufthansa (a) .....	39,500	2,234,748	.62
Eastern Air Lines .....	122,800	7,169,697	1.99
Emery Air Freight .....	8,200	739,599	.20
National Airlines .....	24,000	2,261,317	.63
Northwest Airlines .....	14,500	1,720,416	.48
Wardair Canada (a) (b) .....	40,000	220,000	.06
Western Air Lines .....	40,000	2,185,081	.60
		<u>16,530,858</u>	<u>4.58</u>
<b>Automobiles: 1.73%</b>			
American Motors (a) .....	32,500	506,005	.14
Chrysler .....	100,000	5,717,719	1.59
		<u>6,223,724</u>	<u>1.73</u>
<b>Banks and Finance: .37%</b>			
Bank of British Columbia (a) (b) .....	6,000	148,500	.04
Bank of Montreal .....	12,650	166,031	.05
Bank of Nova Scotia .....	12,500	175,000	.05
Banque Canadienne Nationale .....	17,500	199,063	.05
Banque Provinciale du Canada .....	12,500	117,188	.03
Canadian Imperial Bank of Commerce .....	12,500	165,625	.04
Royal Bank of Canada .....	12,500	203,125	.06
Toronto-Dominion Bank .....	12,500	168,750	.05
		<u>1,343,282</u>	<u>.37</u>
<b>Business Machines and Forms: 17.86%</b>			
Burroughs .....	35,000	6,313,650	1.75
Control Data (a) .....	42,500	6,297,544	1.75
International Business Machines .....	53,300	31,376,827	8.70
Moore Corporation .....	124,000	4,138,500	1.15
Rank Organisation .....	181,400	1,225,155	.34
Rank Organisation "A" .....	463,000	3,127,050	.87
S.C.M. .....	49,069	3,062,481	.85
Scientific Data Systems (a) .....	52,500	6,454,580	1.79
Xerox .....	8,000	2,385,872	.66
		<u>64,381,659</u>	<u>17.86</u>

COMMON STOCKS (Cont'd.)

	Number of Shares	Market Value	Percent of Net Assets
<b>Chemicals: 1.31%</b>			
Canadian Industries .....	140,000	\$ 2,467,500	.68%
Chemcell .....	80,000	850,000	.24
Ethyl Corporation .....	30,000	1,405,270	.39
		<u>4,722,770</u>	<u>1.31</u>
<b>Communications and Entertainment: 1.77%</b>			
Columbia Broadcasting System .....	47,900	3,265,972	.91
Walt Disney Productions .....	16,100	1,728,737	.48
Western Broadcasting .....	85,000	1,381,250	.38
		<u>6,375,959</u>	<u>1.77</u>
<b>Diversified Companies: 6.56%</b>			
Allied Products .....	37,300	2,287,907	.63
Anthes Imperial "A" .....	138,450	4,240,031	1.18
Colt Industries (a) .....	57,300	3,630,027	1.01
Dover Corporation .....	30,000	1,892,484	.52
Gulf & Western Industries (b) .....	78,805	3,697,758	1.03
Textron .....	90,000	4,457,405	1.24
Walter Kidde (a) .....	52,900	3,436,483	.95
		<u>23,642,095</u>	<u>6.56</u>
<b>Electronics: 1.76%</b>			
Fairchild Camera & Instrument .....	6,100	607,501	.17
Magna Electronics .....	30,000	517,500	.14
Memorex (a) (b) .....	18,200	4,172,270	1.16
Texas Instruments .....	8,000	1,044,759	.29
		<u>6,342,030</u>	<u>1.76</u>
<b>Food and Merchandising: 6.68%</b>			
Iowa Beef Packers (a) (b) .....	19,600	952,309	.27
Melville Shoe .....	30,000	2,500,495	.69
Metropolitan Stores of Canada (a) .....	32,000	968,000	.27
Oshawa Wholesale "A" .....	260,000	12,772,500	3.54
Shop & Save (1957) .....	50,800	742,950	.21
Steinberg's "A" .....	137,400	2,713,650	.75
Stokely-Van-Camp .....	26,000	1,486,607	.41
United Fruit .....	35,000	1,954,225	.54
		<u>24,090,736</u>	<u>6.68</u>
<b>Forest Products: 1.22%</b>			
Evans Products .....	60,000	2,117,972	.59
MacMillan Bloedel .....	75,000	2,118,750	.59
Rolland Paper "A" .....	15,000	144,375	.04
		<u>4,381,097</u>	<u>1.22</u>

COMMON STOCKS (Cont'd.)

	Number of Shares	Market Value	Percent of Net Assets
<b>Metals and Mining: 11.98%</b>			
Advocate Mines (a) .....	67,500	\$ 172,125	.05%
Canadian British Aluminium "A" (a) .....	100,000	1,787,500	.50
Denison Mines .....	113,900	9,510,650	2.64
Falconbridge Nickel Mines .....	68,000	6,171,000	1.71
Harvey Aluminum "A" .....	100,000	5,771,406	1.60
International Nickel Company of Canada ..	51,230	5,865,835	1.63
Labrador Mining and Exploration .....	70,500	2,317,688	.64
Leitch Gold Mines .....	51,000	408,000	.11
Noranda Mines .....	100,000	5,525,000	1.53
Placer Development .....	100,000	3,300,000	.91
U.S. Smelting, Refining & Mining .....	35,600	2,369,981	.66
		<u>43,199,185</u>	<u>11.98</u>
<b>Petroleum: 5.82%</b>			
Home Oil "A" .....	145,410	3,435,311	.95
Home Oil "B" .....	38,000	950,000	.26
Imperial Oil .....	30,000	1,976,250	.55
Marathon Oil .....	40,000	3,156,825	.88
Royal Dutch Petroleum .....	65,000	2,805,372	.78
United Gas .....	100,000	8,670,531	2.40
		<u>20,994,289</u>	<u>5.82</u>
<b>Photography: 5.61%</b>			
Berkey Photo (a) .....	83,455	3,898,027	1.08
Polaroid .....	50,000	10,818,031	3.00
Technicolor .....	200,000	5,529,813	1.53
		<u>20,245,871</u>	<u>5.61</u>
<b>Pipelines: 2.70%</b>			
Alberta Gas Trunk Line "A" .....	135,000	4,792,500	1.33
Westcoast Transmission .....	140,600	3,515,000	.97
Western Pacific Products and Crude Oil Pipelines .....	204,200	1,429,400	.40
		<u>9,736,900</u>	<u>2.70</u>
<b>Public Utilities: 4.87%</b>			
Consumers' Gas .....	220,000	4,565,000	1.27
Northern & Central Gas .....	847,000	11,011,000	3.05
Union Gas Company of Canada .....	132,900	1,993,500	.55
		<u>17,569,500</u>	<u>4.87</u>
<b>Publishing: 2.20%</b>			
Maclean-Hunter Publishing .....	28,650	1,661,700	.46
Thomson Newspapers .....	160,700	6,267,300	1.74
		<u>7,929,000</u>	<u>2.20</u>

COMMON STOCKS (Cont'd.)

	Number of Shares	Market Value	Percent of Net Assets
<b>Railroads: 2.25%</b>			
Canadian Pacific Railway .....	40,515	\$ 2,547,381	.71%
Chicago & North Western Railway .....	10,000	1,489,828	.41
New York Central Railroad .....	50,000	4,073,539	1.13
		<u>8,110,748</u>	<u>2.25</u>
<b>Steel: 2.23%</b>			
Dominion Foundaries and Steel .....	36,200	859,750	.24
Finsider warrants (a) (b) .....	240,000	19,328	—
Kaiser Steel (b) .....	26,000	1,996,101	.55
Republic Steel .....	65,100	3,381,467	.94
Sharon Steel .....	47,000	1,797,860	.50
		<u>8,054,506</u>	<u>2.23</u>
<b>Textiles and Apparel: 1.44%</b>			
Dominion Textile .....	89,500	1,980,188	.55
Harding Carpets "A" .....	108,000	1,404,000	.39
Jonathan Logan .....	30,000	1,795,847	.50
		<u>5,180,035</u>	<u>1.44</u>
<b>Miscellaneous: 4.75%</b>			
Corning Glass Works .....	3,000	1,101,668	.31
Distillers Corporation-Seagrams .....	62,150	2,423,850	.67
Markborough Properties (a) .....	250,000	1,312,500	.37
Markborough Properties-warrants (a) .....	62,500	150,000	.04
McLean Industries "A" (a) (b) .....	68,000	2,391,241	.66
P. Lorillard .....	45,500	2,461,103	.68
Rayette-Faberge .....	19,200	1,211,190	.34
Robert Morse "A" .....	40,700	1,119,250	.31
Standard Pressed Steel .....	25,400	1,840,944	.51
Versatile Manufacturing "A" .....	110,000	1,595,000	.44
Other securities (d) .....	69,625	1,523,722	.42
		<u>17,130,468</u>	<u>4.75</u>
<b>TOTAL COMMON STOCKS: 93.88%</b>		<b><u>338,489,345</u></b>	<b><u>93.88</u></b>

CONVERTIBLE PREFERRED STOCKS: .28%

Columbia Cellulose \$1.20 .....	27,900	411,525	.11
Robert Morse 5 1/2% "A" .....	10,000	610,000	.17
		<u>1,021,525</u>	<u>.28</u>

Convertible Debentures: 2.56%	Par Value	Market Value	Percent of Net Assets
Berkey Photo 5 3/4%, September 1, 1986 (b)	US \$ 625,000	\$ 952,953	.26%
Gulf & Western Industries 5 1/4%, July 1, 1987 (b)	US \$ 2,500,000	3,489,688	.97
Home Oil 5 1/2%, December 1, 1984 (b)	\$ 225,000	273,375	.08
Oshawa Wholesale 5 1/2%, November 15, 1986 (b)	\$1,000,000	1,745,000	.48
Rank Organisation 6%, December 31, 1988	£ 366,000	1,406,009	.39
Rank Organisation 6 1/2%, December 31, 1993	£ 40,000	129,146	.03
Takeda Chemical Industries 6%, March 31, 1984 (b)	US \$ 895,000	792,830	.22
Wardair Canada 6 1/2%, September 15, 1982 (b)	\$ 400,000	460,000	.13
		<u>9,249,001</u>	<u>2.56</u>
 Short Term Corporate Notes: (b) 2.55%			
Bank of Nova Scotia 4.23%, October 2, 1967	\$3,500,000	3,500,000	.97
Bank of Nova Scotia 4.129%, October 2, 1967	US \$2,500,000	2,684,375	.75
Industrial Acceptance 6 1/4%, July 26, 1968	\$1,000,000	1,000,000	.28
Pacific Finance 7.15%, December 22, 1967	\$2,000,000	2,000,000	.55
		<u>9,184,375</u>	<u>2.55</u>
TOTAL MARKET VALUE OF PORTFOLIO		<u><b>\$357,944,246</b></u>	<u><b>99.27%</b></u>

**Notes:**

- (a) Securities on which no dividends/interest were paid during the preceding twelve months.
- (b) Securities for which the market value is based on closing over-the-counter prices. The market value for all other securities set forth above is based on the closing price on September 29, 1967, reported by the principal security exchange on which the issue is traded or, if there was no sale during that day at the average of the closing bid and asked prices, except for 78,805 shares of Gulf & Western Industries.

The market value of these shares has been reduced by 20% to reflect the discount obtained at the time of purchase resulting from temporary restrictions that would apply on the sale of these shares before February, 1969.

- (c) Closing prices for foreign securities have been converted into Canadian funds at the closing rate of exchange at September 29, 1967.
- (d) Other securities include various new holdings where the initial position has not been completed.

**UNITED ACCUMULATIVE FUND LTD.**

(Incorporated under the laws of Canada)

**Consolidated Assets and Liabilities**

September 30, 1967

**ASSETS:**

Investment securities at market value (average cost \$280,471,479) .....	\$357,944,246
(See accompanying schedule)	
Cash .....	5,705,040
Accounts receivable:	
Investment securities sold .....	2,157,620
Shares sold .....	799,235
Dividends and accrued interest receivable .....	<u>2,956,855</u>
	667,184
	<u>367,273,325</u>

**LIABILITIES:**

Accounts payable:	
Investment securities purchased .....	5,246,862
Shares redeemed .....	700,700
Other .....	230,594
Income taxes payable .....	517,284
	<u>6,695,440</u>
Net assets applicable to 32,193,648 common shares outstanding equivalent to \$11.20 per share .....	<u>\$360,577,885</u>

**Capital Shares and Consolidated Surplus**

September 30, 1967

**CAPITAL SHARES (Note 1):**

## Authorized —

1,000 deferred shares of \$1.00 par value each  
 80,000,000 common shares (less 8,167,120 shares  
 redeemed and cancelled) of \$1.00 par value each

## Outstanding —

32,193,648 common shares ..... \$ 32,193,648

**SURPLUS:**

Paid-in surplus .....	231,020,131
Undistributed net income .....	31,198
Accumulated realized gain on sale of investments .....	<u>19,860,141</u>
Total capital shares and surplus .....	250,911,470
Unrealized appreciation of investments .....	<u>283,105,118</u>
	77,472,767
	<u>\$360,577,885</u>

On behalf of the Board: *Alex McD. McBain, Director*  
*Rodney S. C. Donald, Director*

*See accompanying notes*

## Statement of Consolidated Income and Expense

for the year ended September 30, 1967

### INCOME:

Dividends .....	\$5,812,366
Interest .....	1,400,861
	<hr/>
	7,213,227

### EXPENSE:

Management fees (Note 2) .....	1,515,188
Postage and printing .....	107,622
Custodian fees .....	56,964
Directors' fees .....	37,629
Legal and audit .....	22,234
Other expenses .....	15,350
Transfer agents' fees .....	11,580
	<hr/>
Net income before taxes .....	5,446,660
Income taxes .....	1,073,000
	<hr/>
Net income .....	\$4,373,660
	<hr/>

## Statement of Per-share Income and Capital Changes

(for a share outstanding throughout the year)

For the ten years ended September 30, 1967

Year ended Sept. 30	Net asset value at beginning of year	INCOME					CAPITAL	
		Dividends and interest from investments	Expense	Income Taxes	Net Income	Dividends Paid	Net realized and unrealized gain (loss) on investments	Net asset value at end of year
1958	\$3.83	\$ .10	\$ .02 1/6	\$ .00 1/6	\$ .07 2/3	\$ .07 2/3	\$ .73	\$4.56
1959	4.56	.11	.02 9/10	.00 1/10	.08	.08	.19	4.75
1960	4.75	.15	.04	.00 1/3	.10 2/3	.10 2/3	(.20)	4.55
1961	4.55	.15	.04	.00 1/3	.10 2/3	.10 2/3	1.53	6.08
1962	6.08	.15	.03 2/3	.00 1/3	.11	.11	(.74)	5.34
1963	5.34	.17	.03 4/5	.00 1/5	.13	.13	1.01	6.35
1964	6.35	.20	.04 1/2	.00 1/2	.15	.15	1.93	8.28
1965	8.28	.22	.04 1/2	.01	.16 1/2	.16 1/2	.86	9.14
1966	9.14	.23	.05	.01 1/2	.16 1/2	.16 1/2	(.96)	8.18
1967	8.18	.23	.05 1/2	.03 1/2	.14	.14	3.02	11.20
						\$1.23	\$7.37	

The figures shown above have been adjusted to give effect to a stock dividend on January 31, 1962 of 2 fully paid common shares of the capital stock of the Fund on each common share then outstanding. This stock dividend was equivalent to a three-for-one stock split.

See accompanying notes

**UNITED ACCUMULATIVE FUND LTD.**

(Incorporated under the laws of Canada)

**Statement of Changes in Consolidated Net assets**

for the year ended September 30, 1967

Net assets September 30, 1966, represented by:

Common shares .....	29,312,132
Paid-in surplus .....	206,562,472
Undistributed net income .....	71,829
Accumulated realized gain on sale of investments .....	7,328,523
Unrealized depreciation of investments .....	(3,522,027) <u>\$239,752,929</u>

Changes during the year:

Income —

Net income for the year .....	4,373,660
-------------------------------	-----------

Less:

Dividends paid —

7¢ per share on 31,085,778 common shares outstanding at March 22, 1967 .....	2,176,004
7¢ per share on 31,975,531 common shares outstanding at September 21, 1967 .....	<u>2,238,287</u> <u>4,414,291</u> (40,631)

Capital —

Proceeds from the sale of 6,806,948 shares (Note 1) ..	66,451,543
Cost of 3,925,432 shares redeemed (Note 1) .....	<u>39,112,368</u> 27,339,175

Realized gain on sale of investments:

Proceeds from sales (excluding short term corporate note redemptions) .....	151,940,628
Aggregate cost .....	<u>139,409,010</u> 12,531,618

Increase in unrealized appreciation of investments .....	80,994,794	<u>120,865,587</u>
--	------------	--------------------

Net assets September 30, 1967, represented by:

Common shares .....	32,193,648
Paid-in surplus .....	231,020,131
Undistributed net income .....	31,198
Accumulated realized gain on sale of investments .....	19,860,141
Unrealized appreciation of investments .....	<u>77,472,767</u> <u>\$360,577,885</u>

See accompanying notes

## Auditors' Report

To the Shareholders of United Accumulative Fund Ltd.:

We have examined the consolidated financial statements, listed below, of United Accumulative Fund Ltd. and its wholly owned subsidiaries. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. Securities owned at September 30, 1967 were verified by confirmation received directly either from the custodian or from brokers in respect of securities purchased but not received.

In our opinion, the accompanying statements listed below present fairly the financial position and investment portfolio of the companies as at September 30, 1967, the results of their operations for the year then ended and the per share income and capital changes for the ten years then ended in accordance with generally accepted accounting principles applied on a consistent basis throughout the period.

Toronto, Canada,  
October 17, 1967.

CLARKSON, GORDON & CO.  
Chartered Accountants.

Consolidated financial statements covered by report of Chartered Accountants:

At September 30, 1967 –	For the year ended September 30, 1967 –
Assets and liabilities	Income and expense
Capital shares and surplus	Changes in net assets
Investment portfolio	
For the ten years ended September 30, 1967 –	
Per-share income and capital changes	

## Notes to Consolidated Financial Statements

September 30, 1967

1. The issue price of each common share of the company is an amount equal to the aggregate of the net asset value of each common share outstanding at the date of issue (received by the company) and the distributor's commission (retained by the distributor). During the year ended September 30, 1967, 6,806,948 shares were issued for cash aggregating \$66,451,543 of which \$6,806,948, equivalent to the par value of the shares sold, was allocated to share capital and the balance, \$59,644,595 to paid-in surplus. The common shares of the company are redeemable at their net asset value. During the year, the company redeemed 3,925,432 shares for an aggregate amount of \$39,112,368 of which \$3,925,432, equivalent to the par value of the shares redeemed, was allocated to share capital and \$35,186,936 to paid-in surplus.
2. Management fees payable to United Funds Management Ltd. have been computed on the basis of 1/2% per annum of the average daily consolidated net assets. For these fees United Funds Management Ltd. supervises, manages and directs the investment of the assets of the Funds and recommends the securities to be purchased or sold. It also pays for office space, equipment and other expenses incidental to the operation of the Funds' office including the salaries of officers and of sufficient personnel to maintain the financial records and to carry out security transactions on behalf of the Funds.
3. The consolidated financial statements do not include comparative figures for the year ended September 30, 1966, as it is the company's view that these figures are not directly comparable due to continuous issuing of additional shares. It is the company's opinion that the statement of per-share income and capital changes provides a more informative measure of the company's progress over a longer period of time as it relates to the individual shareholder.



Immediately following the Board of Directors meeting in Vancouver last May, your U.A.F. Directors hosted a luncheon at the Georgia Hotel which was attended by more than 400 local businessmen, community leaders, Fund shareholders, and United representatives. In a panel discussion on "What's Ahead for Business" that followed the luncheon, Board members unanimously voiced their confidence in the continuing long-term growth of the North American economy.

### **Major Milestones in the First Ten Years of Growth of UNITED ACCUMULATIVE FUND LTD.**

- September 1957**      United Accumulative Fund Ltd. established.
- December 1957**     At year end the new Fund had attracted 121 shareholders and showed net assets of \$189,376.
- September 1958**     First Annual Report showed 630 shareholders, \$658,176 in net assets, net asset value per share up 19% over initial offering price.
- January 1959**       Net assets reached \$1 million.
- September 1961**     The number of U.A.F. shareholders had grown to 10,000.
- October 1963**       Net assets rose to \$50 million.
- October 1964**       Net assets climbed to \$100 million; shareholders numbered 50,000.
- November 1965**      Net assets advanced to \$200 million.
- March 1966**        U.A.F. passed the 100,000 shareholder mark, making it Canada's largest mutual fund and second largest corporation in number of shareholders.
- April 1966**        Net assets exceeded \$250 million.
- March 1967**        U.A.F. tops \$300 million in total net assets.
- September 1967**     Tenth Annual Report shows 138,502 shareholders, \$360,577,885 in net assets and a gain of 223.3% on an original ten year investment.

## UNITED ACCUMULATIVE FUND LTD.

44 King Street West, Toronto 1, Ontario

<b>Directors</b>	ALEX. McD. MCBAIN JOHN M. GODFREY, Q.C. RODNEY S. C. DONALD CHAUNCEY L. WADDELL JACQUES de BILLY, Q.C. J. M. RICHARD CORBET MAURICE DÉSY, Q.C. GORDON E. EDDOLLS HORACE J. FRASER HENRY R. JACKMAN, Q.C. WALTER C. KOERNER GRAHAM M. MacLACHLAN DONALD McINNES, Q.C. JOE JACK MERRIMAN GEORGE H. SELLERS	<i>Chairman of the Board</i> <i>President</i> <i>Executive Vice-President</i> <i>Vice-President</i>	Toronto Toronto Toronto New York Quebec Toronto Montreal Toronto Vancouver Toronto Halifax Kansas City Winnipeg
------------------	--	--	---

<b>Other Officers</b>	JOHN WM. GALBRAITH RALPH HORNER STANLEY R. ANDERSON WILLIAM ROY MILLER EVELYN G. SCOTT GEORGE TIVILUK F. GARTH COLLINS WILLIAM FERGUSON E. TUCKER	<i>Vice-President</i> <i>Vice-President</i> <i>Secretary</i> <i>Treasurer</i> <i>Assistant Secretary</i> <i>Assistant Secretary</i> <i>Assistant Treasurer</i> <i>Assistant Treasurer</i>
-----------------------	--	--

<i>Investment Manager</i>	UNITED FUNDS MANAGEMENT LTD.	Toronto
<i>Legal Counsel</i>	CAMPBELL, GODFREY & LEWTAS	Toronto
<i>Auditors</i>	CLARKSON, GORDON & CO.	Toronto
<i>Exclusive Distributors</i>	UNITED INVESTMENT SERVICES LTD.	Toronto
	UNITED INVESTMENT SERVICES (QUEBEC) LTD.	Montreal
<i>Bankers and Custodian</i>	THE BANK OF NOVA SCOTIA	Toronto
<i>Transfer agent and registrar</i>	EASTERN & CHARTERED TRUST COMPANY	Toronto Montreal Halifax Winnipeg Vancouver and Calgary
<i>Trustee for United Retirement Saving Plans</i>		



# UNITED ACCUMULATIVE FUND LTD.

44 King Street West, Toronto 1, Ontario